A CRITICAL STUDY OF HR PRACTICES IN SELECTED NGOs

(WITH SPECIAL REFERENCE TO NGOs IN RAJASTHAN)

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Introduction

Human resource practices play a vital role as humans are the main resource to use rest of resources. It is now being increasingly realized that the people working in organization are human beings. Investment for increasing the resource is important, and the more an organization invest in its human resources, the greater return from the investment is likely to be. Human resource practices focuses on the different aspect that can enhance the potential of an individual not in just in the reference of an organization but in his/her personal life. Training and developing, performance appraisal, potential appraisal, career counseling, employee welfare, health and safety are few of them.

The role of human resource as an integrating factor in any of the industry or sector and it matters most when it is related to the service sector like NGO's. Further, owing to the changes in the business environment and the advances in technology, communication and consumerism, planning of human resources has become an incessant activity on the part of HR functionaries working in service organization. Broadly, human resource practices are required not only to maintain the people as resources, but also to enhance the capability of the organization, through its competent people.

Human Resource Management is defined as a strategic and coherent approach to the management of an organization's most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives. The overall purpose of human resource management is to ensure that the organization is able to achieve success through people. As Ulrich and Lake (1990) remark "HRM systems can be the source of organizational capabilities that allow firms to learn and capitalize on new opportunities."

Concept of Non Governmental Organization

A non-governmental organization (NGO) is a legally constituted organization created by natural or legal persons that operates independently from any government. The term is usually used by governments to refer to entities that have no government status.

A non-governmental organization (NGO) is a citizen-based association that operates independently of government, usually to deliver resources or serve some social or political purpose. The World Bank classifies NGOs as either operational NGOs, which are primarily concerned with development projects, or advocacy NGOs, which are primarily concerned with promoting a cause.

Variations of NGOs include:

BINGO (business-friendly international NGO or big international NGO); the Red Cross is one example of a BINGO.

ENGO (environmental NGO); the World Wildlife Fund is one example of an ENGO.

GONGO (government-operated NGO), by definition not an NGO but an organization created by a government to resemble an NGO to further some agenda.

INGO (international NGO); Oxfam is one example of an INGO.

QUANGO (quasi-autonomous NGO), an NGO which may have some governmental members; the ISO is one example of a QUANGO.

RINGO (religious international NGO); the Catholic Relief Services is one example of a RINGO.

Review of Literature

- Tilly Chacko M (2010), in his article titled "Best Practices of HR in Service Sector: An SME Service Industry Perspective" concluded that Employment Empowerment is the key word in service industries and strategies like recruitment, induction, learning and development, performance management system, compensation management, motivational initiatives, communication channel and retention strategies play key role in an organization.

- Tripathi Laxman Kumar (2008), in his article "Human Resource Management Practices in IT Industry: A Complex Adaptive Systems Perspective", stated about the significant difference between Resource Based View of HRP Practices and Complex Adaptive System. He highlighted that there is necessity of developing an alternative perspective of Human Resource Management and exactly this has been worked out in the present research work by following the frame work provided by the theories in natural science, which is widely known as Complex Adaptive System.

- Prasad SVVS Vara (2007), in his article titled "HR Practices and Business Performance" revealed that a strong association exists between employee attitudes and workplace performance. Establishing a climate of mutual trust stimulates employees to contribute their best and make them feel valued. Involving employees in designing work systems and their participation in decision-making generate commitment to find solutions for the problems encountered by them on their jobs.

- Prof. Philip J, (2006), in his case study titled "HR Practices for Building Performance Excellence", revealed through the comparative study of 20 leading organizations that recruitment system, effective communication, motivation, career management system are the pillars of any business and focus on these enhance the performance of employees.

- Kennedy Vijila (2007), in her research paper titled "Do HR Practices Differ Among the Categories of Indian Commercial Banks?" highlighted that HR Practices are significantly and positively correlated with one another. It would

result in better performance appraisal and performance counseling since the employees are aware of expectations and demands from their roles. There is a strong relationship between role development and training because any employee would develop in the role through appropriate training.

- Gaurav A M and Mudalkar Prahlad Krishna (2011), in their research paper titled "A critical Study of Human Resource Practices in Selected Sugar Factories", stated that rule of human resource workforce (organized – managerial level and below – managerial level staff and unorganized labour)and its contribution to the development of company. It deals with the developing people in accordance with their aspirations and to suit the other needs. Human resource can be used as a means for developing other in a proper manner. Therefore, human resource practices affect the overall development of the organization.

- Pavan C Naga and Prabhi G (2009) in their article titled "HR Practices in a Recessionary Economy" discussed HR Practices and the issues that confront HR managers and the top management of the organizations. The article outlined the HR Practices and issues in five key areas of human resources classified as 5Rs – Recruitment, Results, Rewards, Retention and Retrenchment.

- Sahoo Chandan Kumar and Sundaray Bijaya Kumar (2008), in case study titled "Exploring the Relationship between HRM Practices and Organizational Excellence: The Case of Birla Tyres" depicts a visible picture on prevailing human resource management practices like performance management, need based training, job rotation, employee suggestions, quality of work life, employee involvement, collective bargaining system, grievance management and cordial employee relations in order to achieve success in terms of customer satisfaction, profitability and excellence.

- Gupta Geetanjali Pandit (2009), in her article titled "Effective HR Practices in Service Industries", highlighted that building employee engagement is about building the business. Moreover, it mirrored the parallels between employee

engagement, quality of service and therefore, customer engagement and returns for business. Recruiting and then train managers for customer facing positions must carefully screen candidate for attitude and their ability to stand up to the demands of the service industry.

- Annonymus (2008) in his article titled "HR Best Practices at Fed Ex, A Best Company to Work For" highlighted that several innovative human resource programs over the year like PSP (People Service Profit), SFA (Survey Feedback Profit), LEAP (Leadership Evaluation and Awareness Programme), ECP (Employee Communication Programme), JCATS (Job Change Applicant Tracking System), RRP (Recognition and Reward Program) have served as a benchmark for company.

- Deshopande Satish P, Golhar Damodar Y (1994), in their article titled "HRM Practices in Large and Small Manufacturing Firms: A comparative Study" revealed that to develop a workforce a firm has to implement an appropriate human resource management practices but in practice, other functional areas such as finance, production and marketing usually get preference over personnel management.

- Renuka, Swami D.; Venkateshwara, Balaji A (2008) in their research paper titled "A comparative Study of Human Resource Management Practices and Advance Technology adoption of SMEs (Small and Medium Enterprises) bring out certain significant differences in the adoption of HRM practices and advance technology in firm with and without ISO 9000 certification.

- Huselid Mark A. (1995) in his research work titled "The Impact of Human Resource Management Practices on Turnover, Productivity and Corporate Financial Performance" evaluated the links between systems of high performance work practices and firm performances. The use of high performance work practices including comprehensive employee recruitment and selection procedures, incentive compensation and performance management system and extensive employee involvement and training can improve knowledge, kills and ability of a firm's current and potential

employees, increase their motivation, reduce shirking and enhance retention of quality employees while encouraging nonperformers to leave the firm.

- Ahmed Sohel, Schroeder Roger G. (2002), in their research paper titled "The Impact of Human Resource Management Practices on Operational Performance: Recognizing Country and Industry Differences" attempts to generalize the efficacy of seven HRM Practice in the context of country and industry, focusing primarily on the effect of these practices on operation. 7 HRM Practices are here under:-

I. Employment security
II. Selective hiring of new personnel
III. Self-managed teams and decentralization of decision making as the basic principles of organizational design.
IV. Comparatively high compensation contingent on organizational performance.
V. Extensive training
VI. Reduced status distinctions barriers, including dress, language, office arrangements and wage difference across levels
VII. Extensive sharing of financial and performance information throughout the organization.

- Erdil Oya, Gunsel Ayse in their research paper titled "Relationship between Human Resource Management Practices, Business Strategy Fit and Firm Performance" indicate a strong relationship between different HR practices and HRM firm strategy fit and firm performance. Further, the results provide support for the assertion that HR firm strategy fit can significantly assist a firm in improving performance.

- Mudor Hamidia and Tooksoon Phadett (2011), in their research paper titled "Conceptual Framework on the Relationship Between Human Resource Management Practices, Job Satisfaction, and Turn Over" explained the relationships among these variables. On the other hand HRM practices and job satisfaction are negatively and significantly correlated with job satisfaction.

- Anderson Fredrik (2005) in his research paper titled "The Effect of HRM Practices and R&D Investment on Worker Productivity" reveals that regular and effective research and works as an investment on the productivity of the workers of an organization.

- F. Fey Carl (2000) in his research work titled "The Effect of HRM Practices on MNC Subsidiary Performance in Russia", stated that investing in using HRM Practices in firms performing better. It is essential for a firm to have different HRM Practices for managerial and non managerial employees. Study also reveals the fact that not all the HRM practices are equally important to focus on.

- Daud Normala Binti (2006) in his research paper titled "Human Resource Management Practices and firm performance: The Moderating Roles of Strategies and Environmental Uncertainties" explains the HRM Practices could positively influenced profitability and growth and negatively influenced employee turnover.

- Khan Muhammad Asif (2010) in his research titled "Effect of Human Resource Management Practices on organizational Performance – An Empirical Study in of Oil and Gas Industry in Pakistan" stated the regression analysis indicated a positive and statistically significant association of HRM Practices with organizational performance.

- Michal Armstrong – "A Handbook of Human Resource Management Practices", 10th Edition, Kogan Page London and Philadelphia of a" deals with the approaches and philosophies that affect how people are managed in organization, the roles of the HR functions and its member. The term 'Personnel Management' embraces the two related concepts of human resource management and human capital management, which are defined in this book. These have virtually replaced the term personnel management although the philosophies and practices of personnel management still provides the foundations for philosophy and practices of Human Resource Management.

Motivation and Relevance of the Study

A number of researches have been undertaken which highlighted HR Practices for achieving higher performance standards in the organization. Some of the researches also explain that designing and integrating human resources systems is of the ways to ensure the creation for customers and sustain organization's effectiveness.

There is growing evidence that corporate HR Practices are associated with high performance and can encourage employee behaviour and attitudes towards strengthening the competitive strategy of an organization. But no empirical research has so far been undertaken to investigate the effects of HR Practices in non government organization. Thus a gap exists in the research in this area of importance. All these face have motivated the researcher to undertake this research work. This research will be of great help to:

1. NGO's

This research will carry out a thorough study of Human Resource Practices in NGOs. This will suggest measures for improvement and help NGOs to betterment in performance.

2. Researchers and Students

This research will prove informative for academicians and will become a secondary data for students who are interested to know about the working of NGOs with available resources.

Objectives

- To identify and examine the extent of HR Practices in NGOs.
- To understand the emerging trends of HRM spreading in the NGO.
- To find out the procedure of recruitment in NGOs.
- To discern the mode of training to the existing employees in NGO.
- To find out the ways of appraising the performance of employees in NGOs.
- To know the grievance handling methods in NGOs.
- To explore the existence of union in NGO sector.
- To identify the activities like welfare, health and safety in NGO culture.
- To identify the culture of NGOs and the establishment of HRM.

Hypothesis

H_1: HR functions generally outsourced in NGOs.

H_2: There is significant effect of the size of NGO's on HR Practices.

H_3: A positive relationship exists between HRM Practices and firm performance.

Research Methodology

Meaning of Research Methodology – Research Methodology is a way to systematically solve the research problem. Researchers need to understand the assumptions underlying various techniques and they need to know the criteria by which they can decide that certain techniques and procedures will be applicable to certain problems. In other words, a system of models, procedures and techniques used to find the results of research problem is called a research methodology

Plan of work and methodology

A plan of work describing various aspects of the study in a logical sequence along with the methodologies to be employed.

Research Design

Research design is a process of making decisions before the situation arises in which the decision has to be carried out. 'Research design' is planning a strategy of conducting research. It plans as to: what is to be observed, how it is to be observed, when/where it is to be observed, why is to be observed, how to record observations, how to analyze/interpret observations, and how to generalize. Research design is, thus, a detailed plan of how the goals of research will be achieved.

This research plan will include the ***Exploratory*** and ***Descriptive*** Research as stated here under:-

Exploratory Research – This research will be proved the most beneficial for the researcher because the study of topic is the one about which the researcher has very little knowledge. Thus, this research will be qualitative which becomes useful in testing hypothesis.

Descriptive Research - Descriptive research includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present.

Variables – A concept which can take on different quantitative values is called a variable. Here, in this research researcher would take the variable as follows:

Dependent Variable and Independent Variable – If one variable depends upon or is a consequence of the other variable, it is termed as a dependent variable, and the variable that is antecedent to the dependent variable is termed as an independent variable. In this study ***Performance of the firm*** is ***dependent variable*** and the use of ***HR Practices*** is ***independent variable***.

Editing – Editing involved a careful scrutiny of the completed questionnaires to assure that data are accurate, consistent with other fact gathered, uniformly entered, as completed as possible and have been well arranged to facilitate coding and tabulation. This study will process further with the help of structured questionnaire for both employer and employee for both the NGOs, so scrutiny according to NGO wise then employer and then employee wise will be done.

Coding – It refers to the process of assigning numerals or other symbols to answers so that responses can be put into a number of categories or classes. Coding will help in this research as the several replies may be reduced to a small numbers of classes which contain the critical information required for analysis.

Tabulation – Tabulation is the process of summarizing raw data and displaying the same in compact frame for further analysis. Though the questionnaire contains questions which have four or five alternatives, the tabulation will help researcher in orderly arrangement of data in columns and rows.

Statistics in Research – The role of statistics in research is to function as a tool in designing research, analyzing its data and drawing conclusions therefrom. In the present research, the important statistical measures will be used according to collected data to summarize the research.

Sample Design

A sample design is a definite plan for obtaining a sample from the sampling frame. It refers to the technique or the procedure the researcher would adopt in selecting some sampling units from which inferences about the population is drawn, sampling design is determined before any data collected. This research plan the researcher is paying attention on the following:-

Universe- It consist NGOs in Rajasthan.

Sampling unit – 4 NGOs in Rajasthan. (Jaipur, Bharatpur, Udaipur, Ajmer)

Sample Size – The sample size would be 300 including employers and employees of NGOs.

Collection of Data

The task of data collection begins after chalk out the research plan. Here the researcher uses both primary and secondary data.

Primary data – The primary data are those which are collected afresh and for the first time, and thus happen to be original in character

Secondary data – The secondary data are those which have already been collected by someone else and which have already been passed through the statistical process.

Here the research study will mainly be supported by Primary Data which will be collected through Structured Questionnaire by the people working in NGOs and secondary data which will be collected from the annual reports of selected NGOs.

Place of work and Facilities Available

The present study is aimed at studying the Human Resource Management Practices and Advance Technologies in NGOs in Rajasthan.

Seva Mandir in Udaipur, Sudhar Sabha in Ajmer, Lupin Human Welfare and Research Foundation in Bharatput and Indian Institute of Rural Management in Jaipur, Rajasthan facilitates the researcher to start an exploratory/descriptive research on HRM Practices and Advance Technology.

The study will be mainly based on Primary Data that will be collected through structured questionnaire and Secondary Data from the Annual Report of the concern NGOs. Concern persons of NGOs Mr. Ajay Mehta, Mr. Ishwar Tharaney, Mr. Umesh Kumar Gupta and Dr. Thomas Cangan respectively, are helping in providing full time and support from his staff working in their NGOs.

Limitations of the Study

Every research has its limitation and merits as well. This research is no exception to his and prone to the following limitations:

1. Very less articles are available related to HRM Practices in NGOs.
2. Respondents become bias while filling the questionnaire.

Chapterisation

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- Books
- Journals
- Websites

Appendix – 1

Appendix – 2

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